



SCHOOL EMPLOYER ADVISORY COMMITTEE MEETING

December 10, 2003

12 Noon to 2:30 p.m.

Room 1170/80, Lincoln Plaza

MINUTES

PRESENT:

Beth Qualle
Ann Music
Anthony Suine
Brenda Boothe
Carol Cook
Darrell Early
Dawn Evans
John Moore
Karl Klun
Ken Marzion
Kim Deadmore

Laurie Ball
Lori McGartland
Mike Hardin
Pam Fowler
Pat Dyba
Ramona Coker
Rick Duran
Sharie Ortega
Tammy Britt
Terri McNabb
Tina Kaufman

Sue Daniel
Cheryl Salvador
Paula Driscoll
Tammy Sanchez
SalliAnne Maliguine
Dawn Evans
Tim Cromartie
Nancy Veitenhans
Anthony Suine
Steve Propp

MEETINGS

The attendance was low for today's meeting. Ken asked the members if the attendance was low due to budget constraints. By show of hands, the budget was not the reason. Ken will bring up attendance again at future meetings in order to discuss alternatives.

LEGISLATIVE UPDATE

Handouts were distributed and will be available on-line along with the Minutes. The following bills were focused on:

- **AB 205, Spousal Rights for Domestic partners.** Provides domestic partners registered with the Secretary of State's office the same legal rights as those of married couples; chaptered.
- **AB 719, Service Credit Purchase.** Ability to purchase up to 5 years of additional unqualified service credit if member has already earned a minimum of 5 years of CalPERS service; chaptered. (This will be discussed further in the Minutes.)

- **SB 2, Universal Coverage – Pay or Play.** Requires employers to provide health coverage to employees and dependents by one of two methods: either paying a into a state purchasing pool, or securing a health plan independently and paying 80 percent of premiums; chaptered.
- **SB 268, Cancellation of Service Credit Purchase Payment; Community Property Settlements Calculations.** Allows members who elected to purchase service credit to discontinue payments if the member becomes disabled and further payments would not result in a higher benefit. Allows survivors of safety members whose death was work-related to discontinue payments where further payments would not result in increased survivor allowance. Restores full retirement benefit to divorced members by providing new retirement calculation when their accounts are divided pursuant to a community property settlement; chaptered.

AB 719 Additional Retirement Service Credit (ARSC) or “AIR TIME CREDIT”

A handout was distributed. This bill goes into effect on 1-1-04. This bill allows you the option to purchase up to five years of service credit, in whole year increments, if you have already earned a minimum of at least 5 years of service. In order to qualify, you must be actively employed in compensated employment after 1-1-04. It is not necessary for an employer to contract for this service credit purchase. Before a member elects to move their retirement date from December to January in order to qualify, they should use the online cost calculator to determine the cost to purchase ARSC. Currently, you can use the State and Schools Military cost calculator, available online at www.calpers.ca.gov, to calculate up to 4 years of service. A calculator for ARSC should be available online in the next 3 – 4 weeks. Employees should also use the online Retirement Estimate Calculator to determine if the additional credit will benefit them in retirement. They can also schedule a counseling session with our Regional Office Staff, or plan to attend a Retirement Planning Seminar. Visit us online, or call CalPERS at (888) 225-7377, for dates and locations of seminars. At the time of this meeting, it had not been determined whether or not the 457 plan will be an option to purchase the extra service credits due to issues with IRS. There are other payment options such as using a 401 or making monthly installment payments of one month to 180 months (15 years.) The forms to request a formal cost will be available online by the end of the month. An employee must have his/her request for cost form in to CalPERS prior to retirement, but can elect to purchase the service credit after his/her retirement date. You may only elect to purchase ARSC one time, even if you do not elect to purchase the maximum time available to you. For example, if you elect to purchase 3 years, you cannot elect to purchase the additional 2 years at a later time. For more information, there are “frequently asked questions” on our website. These questions are being updated as issues are being resolved. A Circular Letter will be sent out once the procedures have been defined.

PERSPECTIVE Newsletter

A member asked for an explanation on why there are separate newsletters for state and school employees. The articles are written to focus on a target group. Articles concerning state employees only may not be of interest to those of you who are school employees, therefore, the rationale for two separate newsletters.

CHARTER SCHOOLS

Charter Schools have the option as to whether or not to provide for CalPERS coverage in their original contract. A Circular Letter sent out in 1999 addressed this issue. (See CL 200-050, dated 6-4-99.) The CalPERS Legal Office has now concluded that once a Charter School has chosen to participate in CalPERS, however, it cannot exclude employees from CalPERS coverage, even if it attempts to amend its charter to do so.

PAYROLL REPORTING ISSUES

For those who were unable to attend this year's Educational Forum, this segment was presented for today's meeting. A handout was circulated and is available on line.

NEXT MONTH'S AGENDA:

Ken asked for suggestions on how to get information out to members. Due to budget cuts, we are exploring alternatives. One suggestion was that the manual be available on line. This is currently being pursued. Agenda topics for February's meeting: Update on Legislation; How to Save Money; Golden Handshake Procedures. If you have any further topics for discussion, please contact Ann Music at ann_music@calpers.ca.gov.

The meeting was adjourned at 2 p.m.